

Iraq Weekly Status Report

June 18, 2008

**Bureau of Near Eastern Affairs
US Department of State**



TABLE OF CONTENTS

HIGHLIGHTS	3
POLITICAL	
• Governance & Legislation	4
SECURITY	
• Situation Update	9
• Security Transition	10
ECONOMIC	
• Economic & Government Capacity Update	12
• Oil	13
• Essential Services	14
• Economic Indicators	19
DIPLOMATIC	
• Political Engagement	22
• Coalition	25
Notes, Source Citations and Contact Information	26



HIGHLIGHTS

- Muqtada a Sadr representatives announced that the Sadrist Trend is set to boycott provincial elections. (**POLITICAL, page**)
- A powerful car bomb exploded in a crowded market area of the Shi`a Hurriya neighborhood in northwestern Baghdad June 17 killing 51 people and wounding 75, in the biggest attack in the Iraqi capital in months. (**SECURITY, page**)
- The Iraqi government issued a statement on June 15 pledging \$8 million to the UN Refugee Agency (UNHCR) to assist the more than 500,000 Iraqi refugees living in neighboring Jordan. (**ECONOMIC, page**)
- The Iraqi government is asking the US for more than \$2 billion to assist 42 of the best performing state-owned enterprises (SOE). (**DIPLOMATIC, page**)



POLITICAL - Governance & Legislation

Sadrists to Boycott Provincial Elections:

- Sadrist Trend officials have announced that the Sadrist Trend will boycott provincial elections. Muqtada al Sadr's aid reiterated that Sadr will not acknowledge elections or the coming provincial governments while Iraq is occupied. Senior members of the Sadrists Trend have announced that while they will not directly participate, they will support professionals and technocrats to run as independents.

Council of Representatives (CoR) Plans to Move Out of the Green Zone:

- Iraq's CoR resumed its work on Tuesday, June 17, after a one-week recess. During this session, it was announced that the CoR will relocate outside Baghdad's International Zone compound in September for the first time since the 2003 U.S.-led invasion. According to CoR Deputy Speaker, "Moving [out of the International Zone] means there is improvement in security and we are getting closer to the people."

Iraqi Refugees in Iran Facing Obstacles:

- UNHCR reports that around 300 Iraqi refugees in the Iranian Jahrom camp wishing to return to Iraq have been waiting since last year for clearance from Iraqi authorities. Complicated clearance procedures and border closures have delayed returns. More than 18,000 Iraqi refugees in Iran have been assisted back to Iraq since November 2003; UNHCR is assisting but not encouraging returns at this time. An estimated 54,000 Iraqi refugees are registered with UNHCR.



POLITICAL – Government of Iraq

Coalition Affiliation (at time of appointment)

United Iraq Alliance

Kurdistani Alliance

Iraqi Accord Front

Iraqi National List

Other / Independent

(F) = Female

*Formerly Tawafuq

**Formerly Sadrist/UIA

***Formerly Iraqiya

Prime Minister

Nuri al-Maliki

Deputy Prime Minister

* Vacant

Deputy Prime Minister

Barham Salih

President

Jalal Talabani

Deputy President

Tariq al-Hashimi

Deputy President

'Adil 'Abd al-Mahdi

Minister of Agriculture

Ali al-Bahadeli

Minister of Communications

*** Vacant

Minister of Culture

* Vacant

Minister of Defense

Abdul Qadir Muhammed
Jasim al-Mufraji

Minister of Displacement & Migration

Abd al-Samad Rahman
Sultan

Minister of Electricity

Karim Wahid

Minister of Education

Khudayyir al-Khuza'i

Minister of Environment

Narmin 'Uthman (F)

Minister of Finance

Bayan Jabr

Minister of Foreign Affairs

Hoshyar Zebari

Minister of Health

Saleh al-Hasnawi

Minister of Higher Education

* Vacant

Minister of Human Rights

Wijdan Mikha'il (F)

Minister of Industry & Minerals

Fawzi al-Hariri

Minister of Interior

Jawad al-Bulani

Minister of Justice

*** (Safa al Safi
acting)

Minister of Housing & Construction

Bayan Daza'l (F)

Minister of Labor & Social Affairs

Mahmud Muhammad
Jawad al-Radi

Minister of Oil

Husayn al-Shahristani

Minister of Planning

Ali Baban

Minister of Trade

Abd al-Falah al-Sudani

Minister of Science & Technology

Ra'id Fahmi Jahid

Minister of Municipalities & Public Works

Riyad Ghurayyib

Minister of Transportation

** Vacant

Minister of Water Resources

'Abd al-Latif Rashid

Minister of Youth & Sports

Jasim Muhammad Ja'far

Minister of State for Civil Society

* (Wijdan Mikha'il
Acting) (F)

Minister of State for National Dialogue Affairs

Akram al-Hakim

Minister of State for National Security Affairs

Shirwan al-Waili

Minister of State for Foreign Affairs

* Vacant

Minister of State for Governorates Affairs

Sa'd Hashim

Minister of State for Tourism and Antiquities

** Vacant

Minister of State for Women's Affairs

** (Narmeen Othman Acting)

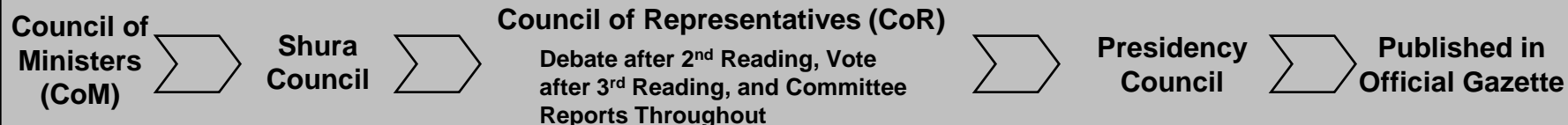
Minister of State for CoR Affairs

Safa al-Safi



POLITICAL – Key Legislation and Refugee Update

Legislative Process



Provincial Elections	The CoR is currently considering reviewing the law, which will set the legal basis and structure of provincial elections.
Hydrocarbons Package	The level of control allocated to the central government in the July 2007 draft version of the Framework Law (currently in CoR Committee) is the key point of disagreement; there may be more progress on the Revenue Management Law, currently with the Shura Council, in the coming months.
Amnesty Law	PASSED: CoR approved the law on February 13; the law was signed by the Presidency Council February 26 and was implemented March 2.
Pensions Amendment	PASSED: Published in the Official Gazette December 2007.
De-Ba'athification Reform	PASSED: Approved by default by the Presidency Council February 2008. Published in the Official Gazette in mid-February.
Provincial Powers	PASSED: CoR approved the law on February 13; the law was vetoed by the Presidency Council February 26. The veto was rescinded on March 19, allowing the law to take effect.

Refugee Update

Refugees in the region: 2-2.4 million

Internally displaced persons in Iraq: 2.2-2.4 million

Total number of Iraqi refugees admitted to the U.S. during to date in FY07-FY08: **7,163**

4,885



SECURITY - Situation Update

Large Car Bomb Kills 51 in Baghdad:

- A powerful car bomb exploded in a crowded market area of the Shi'a Hurriya neighborhood in northwestern Baghdad on Tuesday, June 17, killing 51 people and wounding 75, in the biggest attack in the Iraqi capital in months. The blast set fire to about 20 shops and leveled a multi-story building as well as damaging vehicles and cutting electricity in the area. Baghdad has been relatively quiet since the May 10 truce ended weeks of fighting between Iraqi security forces and militants loyal to anti-American cleric Muqtada al-Sadr. Violence in the capital has been at its lowest levels in more than four years.

Iraqi Security Forces Sent to Amarah to Quell Shi'a Militias:

- Iraqi troops and police arrived in this southern city as part of the Government of Iraq's effort to counter Shi'a militias, which have been engaged in fighting despite Muqtada al-Sadr's order for a ceasefire. The government announced a deadline of June 18 for Shi'a militias to surrender their weapons. Police had already begun collecting weapons that members of the militias have deserted. In addition to the operation, a security source stated that several senior police officials are expected to be replaced.



SECURITY - Situation Update

Security Improves for Southern Baghdad Students:

- School children in the southern Baghdad area faced a difficult and even dangerous prospect in recent years in pursuing education. Limited supplies, damaged facilities, and teacher absences (sometimes at government recommendation for security reasons) added to the danger of Al-Qaida terrorists preventing children, especially girls, from attending school. However, the security situation in southern Baghdad has improved through the presence of Iraqi soldiers along with Iraqi Police in recent weeks. The local Provincial Reconstruction Team has invested resources to keep schools open, making it possible for children in the area to attend school regularly. The Iraqi government has taken up the task of helping to repair damaged local schools for reopening before the next school year begins.

Over 500 Former Insurgents Reconcile with Government:

- Since May 22, more than 500 former insurgents in the Balad area have reconciled with the Iraqi government. Operation Balad Musalahah is a combined effort of local governments and Iraqi police leaders, the 4th Iraqi Army Division, and Coalition Forces. The effort has encouraged tribal leaders and locals with significant influence to promote unity within the once-beleaguered area. Reconciling with local security officials and the local government will help to re-establish former fighters' ties to their communities. Participants have led Iraqi and Coalition Forces to various weapons caches scattered in the area, also surrendering a variety of weapons and ammunition. Those who choose to reconcile must sign a cease-fire agreement and stand before the Iraqi court system if they face criminal charges, before being fully reintegrated into civil society.



SECURITY – Security Transition

Operation New Town Molds Trust in Shakriyah:

- Iraqi Army soldiers and Coalition Forces descended by helicopter on Shakriyah district of Baghdad and conducted a census mission June 10. The 4th Company, 3rd Battalion, 22nd Brigade, 6th Iraqi Army Division company commander also participated in the mission to get a first-hand perspective on what his soldiers will be doing in the near future. During such operations, soldiers take photos of all military age males and count weapons in households. The Iraqi Army retains all this information. The Iraqis' performance during the operation impressed their Coalition counterparts. While Coalition Forces conducted the planning for "Operation New Town", enabling the Iraqi Army to gain valuable experience and positive expectations on future operations, the Iraqi units will become more involved in pre-mission planning in the future.



SECURITY - Iraqi Security Forces

Iraq Security Forces as of April 30, 2008 ^a			
Component	Current Authorized Personnel ^b	Assigned Personnel ^c	Total Trained Personnel to date ^d
Ministry of Interior (MoI) Forces ^e			
Iraqi Police Service ^f	288,001	289,106	174,837
National Police ^g	33,670	34,907	46,670
Border Enforcement	38,205	41,017	30,373
Total MoI	359,876	365,030	251,880
Ministry of Defense (MoD) Forces ^h			
Army	154,598	172,235	199,277
Support Forces	15,583	17,739	20,569
Air Force	2,907	1,567	1,595
Navy	1,893	1,783	1,494
Total MoD	174,981	193,324	222,935
Counter Terrorism Bureau			
Special Operations	4,733	3,609	3,709
Total Iraqi Security Forces	539,590	561,963	478,524

**The decrease in authorized MoD forces from the April 30 Weekly Status Report with ISF data as of March 31 reflects a change in a temporary GOI policy to increase front line units to 120% of authorized end strength to maintain present-for-duty totals at 100% while soldiers took leave. This change will make ISF reporting consistent with standard military personnel accounting practices in other countries and provide a clearer representation of ISF manning levels.

a Numbers do not include ministry staffs.

b Numbers reflect Government of Iraq (GOI) authorizations.

c Numbers are based upon GOI payroll data and do not reflect present for duty totals.

d Numbers reflect assigned personnel that have received training.

e Numbers reflect total ISF personnel trained to date, some of which are no longer assigned due to casualties, AWOL, and normal separation.

f MoI strength does not reflect investigative and administrative forces, the MoI HQ, MoI Forensics, Dignitary Protection, or contracted guards.

g MoI Police Support Unit, Provincial Security Force, and Emergency Response Unit personnel are part of the Iraqi Police Service and does not include other Ministry FPS.

h MoD strength is derived from Modified Tables of Organization and Equipment (MTOEs).



ECONOMIC – Economic & Government Capacity Update

Government of Iraq Gives UNHCR \$8 Million to Assist Refugees in Jordan:

- The Iraqi government issued a statement on June 15 pledging \$8 million to the UN Refugee Agency (UNHCR) to assist the more than 500,000 Iraqi refugees living in neighboring Jordan. Managed by UNHCR, the money will assist with education and health programs. The Iraqi government's donation is part of a \$25 million package that Iraq had pledged last year at an international conference focused on its refugees living in Jordan, Syria and Lebanon. Syria received \$15 million in donation funds from Iraq and Lebanon received \$2 million. According to UNHCR, over 4.2 million Iraqis fled their homes since Operation Iraqi Freedom commenced in 2003. Nearly 2.2 million refugees are living in Syria, Jordan, and Lebanon.

Funding and Security Allows Children in Southern Baghdad to Attend School:

- The southern Baghdad area is now more secure than it has been in years. Iraqi soldiers and police established a presence and prepared to hold gains made by the 3rd Infantry Division's 2nd Brigade Combat Team (BCT), which is scheduled to redeploy in July. The BCT and Baghdad 7 embedded PRT repaired critical infrastructure, enabled the damaged economy to rebound, and allocated millions of dollars to keep local schools open, allowing local children to continue their studies. With the school year now over, the Iraqi government, with the assistance of local Coalition Forces, will complete renovations and building projects needed to get local schools repaired and reopened before the start of the next school year.



ECONOMIC – Oil

Crude Oil Update:

Price averages in world markets closed with the following prices:

Basrah Light at \$125.31/barrel

Dated Brent at \$134.176/barrel

WTI Cushing at \$134.78/barrel

Oman/Dubai at \$129.738/barrel

Revenue estimates:

2006: \$31.3 Billion

2007: \$41.0 Billion

2008: \$31.5 Billion (ytd)

Iraq opens tenders for two deep exploration wells:

- Iraq's Oil Exploration Company has opened a tender to drill two deep exploration wells at large oilfields in the south Rumaila and Luhais oilfields around Basrah. The state-run company published a notice on its website and in Iraq's official al-Sabah newspaper inviting bids to drill the two wells. Iraq is seeking to increase its oil production in order to raise funds for reconstruction.



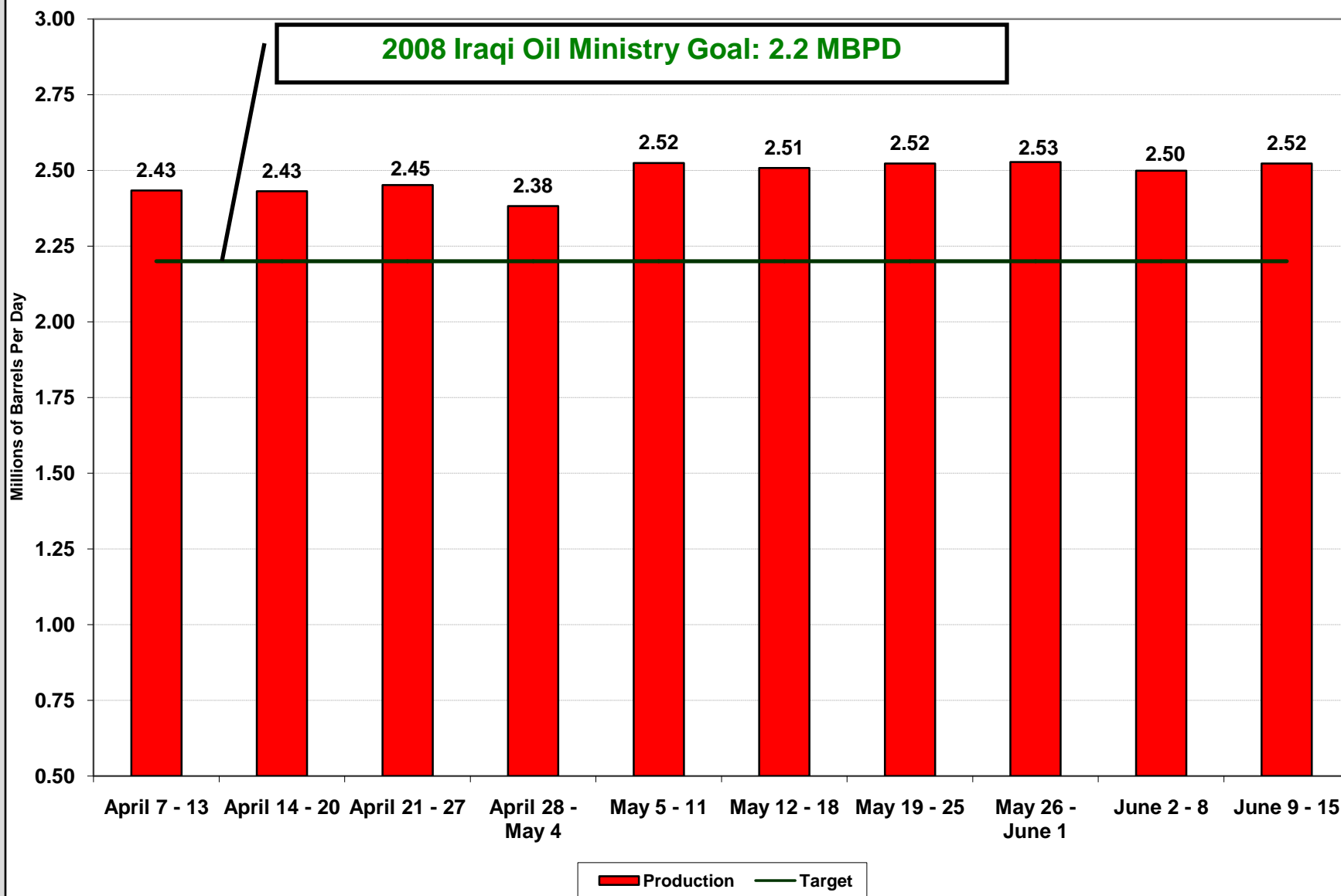
ECONOMIC – Essential Services

State Enterprises Begin to Reopen in Iraq:

- Over the past year, dozens of state-owned enterprises (SOE), such as the Italian-made production line of the State Company for Glass and Ceramics in Ramadi, have re-opened for business after years of neglect by Iraq's central government. The Iraqi government has requested \$2 billion to aid 42 of the best-performing SOEs. Senior US officials have cautioned that increased funding will be of limited benefit for SOEs until core structural and cultural shifts in the Iraqi economy take place.

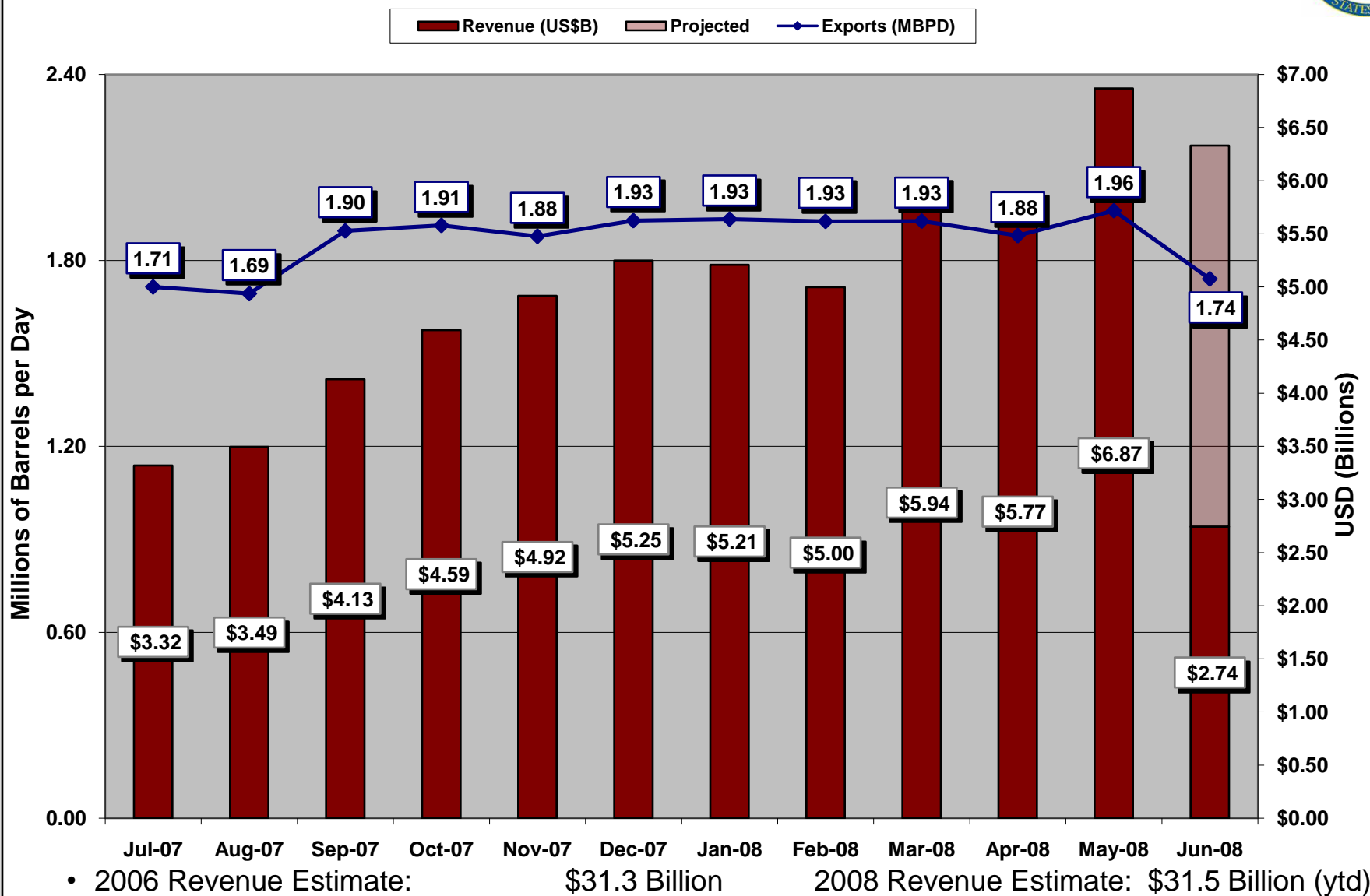


ECONOMIC – Crude Oil Production



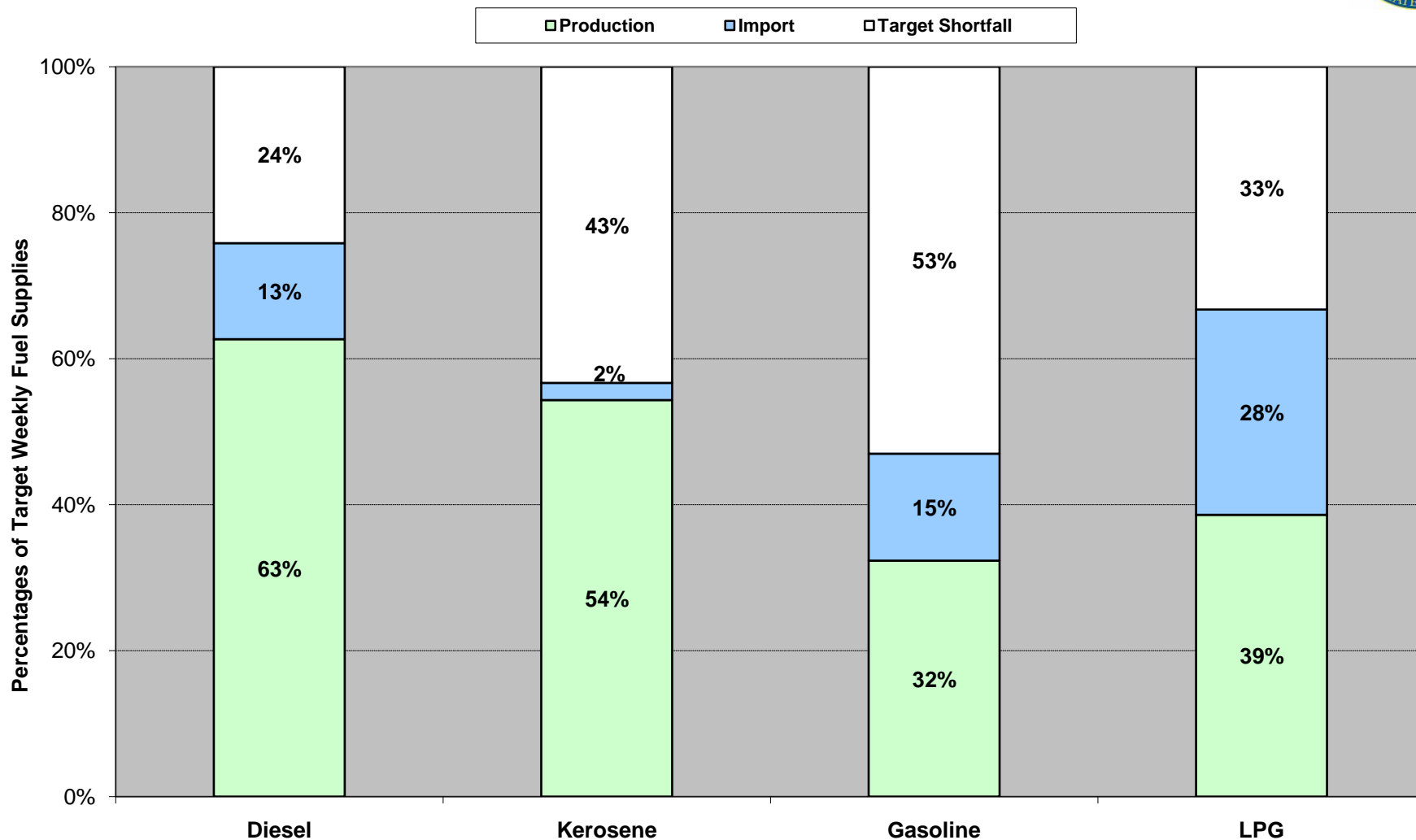


ECONOMIC – Crude Oil Export





ECONOMIC – Total Critical Refined Product Supplies



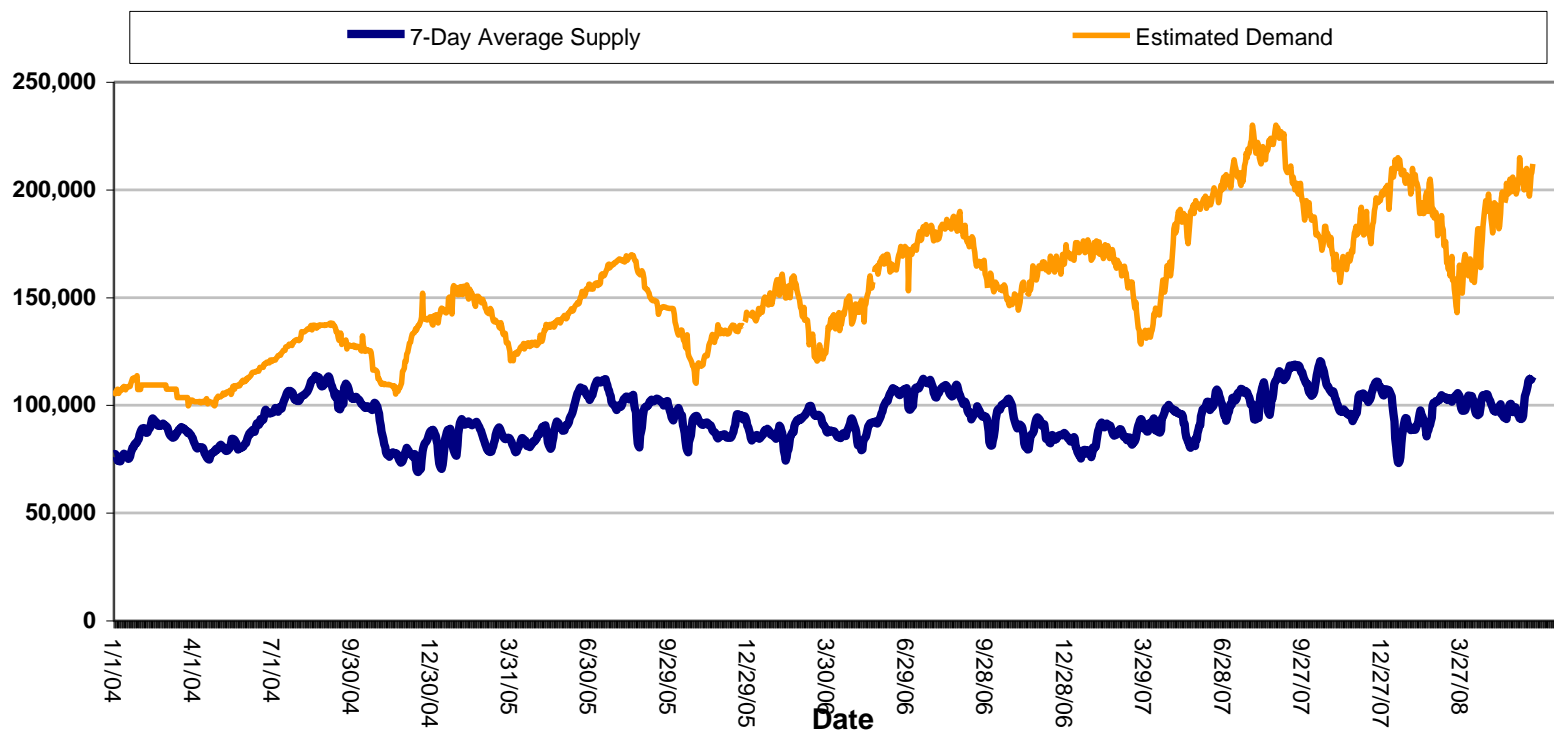
Note: This is a daily average for June 9 – June 15

- Diesel: 18.6 ML supply of 24.5 ML target
- Kerosene: 8.3 ML supply of 14.6 ML target
- Gasoline: 12.6 ML supply of 26.8 ML target
- LPG: 3,403 tons supply of 5,100 tons target



ECONOMIC – Electricity

Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004

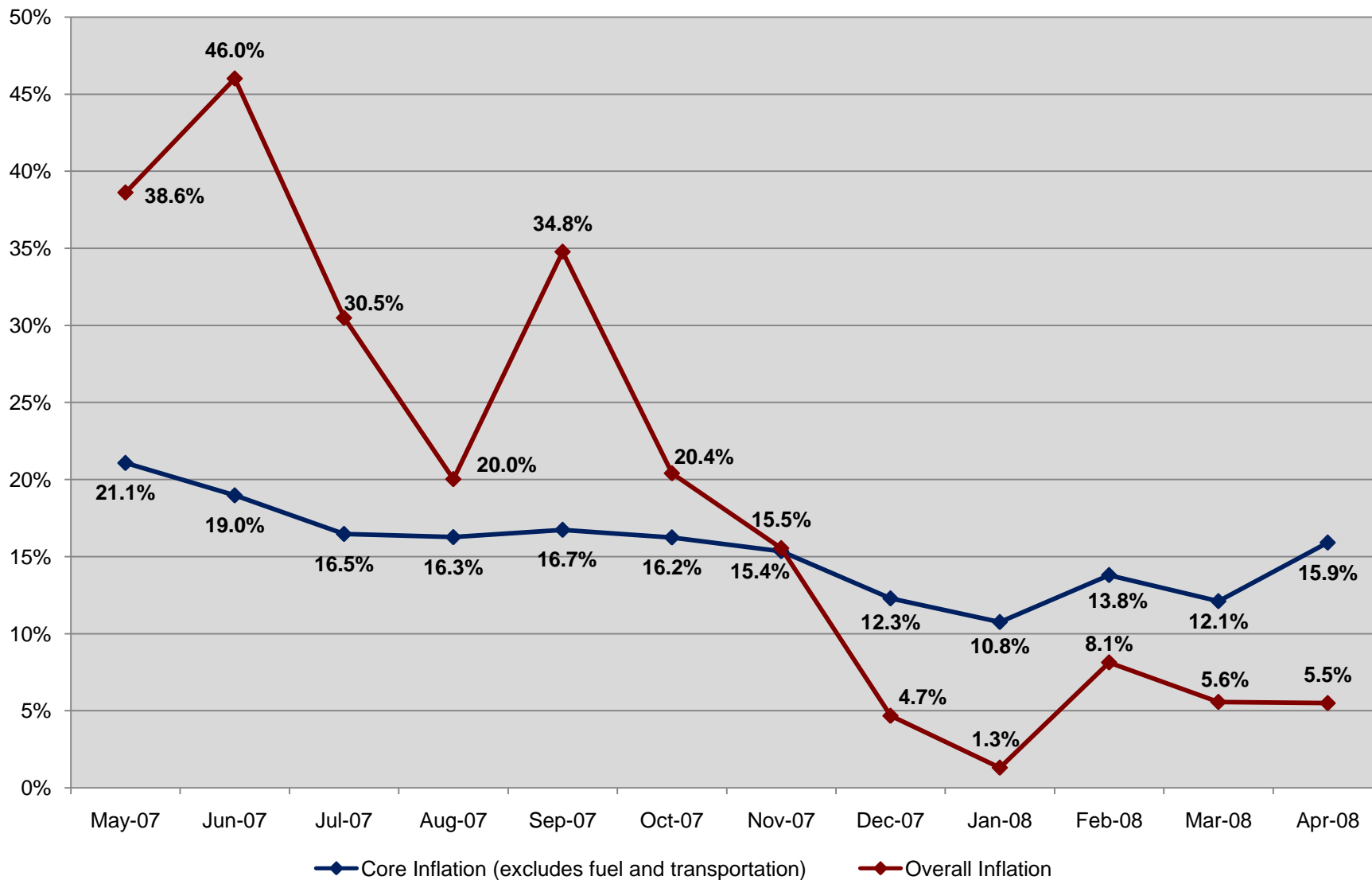


- Daily electricity demand June 11-17 was 4% above the same period last year. Daily supply from the grid was 9% above the year-earlier period and met 56% of demand, compared with 51% for the year-earlier period.
- For June 10-16 average hours of power from the grid after meeting demand from essential services were Baghdad:11.0 and national 11.4. Year-ago levels were Baghdad 5.6 and national 10.3.



ECONOMIC – Economic Indicators

Year-on-Year Inflation





ECONOMIC – Economic Indicators

Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$74.47	\$74.55	\$70.40	\$62.82
Yield	8.50%	8.49%	9.05%	10.16%
Central Bank's USD Currency Auction				
USD Sold	\$76,016,000	\$80,139,000	\$114,186,000	\$66,957,492
NID Exchange Rate	\$1,197	\$1,197	\$1,201	\$1,254.00
Total Employed by USG Programs				
	***	***	134,900	N/A



ECONOMIC - Iraq Relief and Reconstruction Fund (IRRF) 1 and 2

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Sector\Status			Committed			Obligated			Disbursed		
(Millions of USD)	Allocated	Un-allocated	Last Week	Current	Change	Last Week	Current	Change	Last Week	Current	Change
Security and Law	\$4,967	\$11	\$4,946	\$4,945	\$0	\$4,945	\$4,945	\$0	\$4,864	\$4,864	\$0
Justice and Civil Society	\$2,304	\$15	\$2,262	\$2,265	\$4	\$2,256	\$2,256	\$0	\$2,175	\$2,175	\$0
Electricity Sector	\$4,188	\$25	\$4,076	\$4,075	-\$1	\$4,054	\$4,054	\$0	\$3,854	\$3,854	\$0
Oil Infrastructure	\$1,718	\$7	\$1,600	\$1,597	-\$3	\$1,600	\$1,597	-\$3	\$1,578	\$1,578	\$0
Water and Sanitation	\$2,062	\$23	\$1,974	\$1,976	\$1	\$1,950	\$1,951	\$1	\$1,817	\$1,817	\$0
Transportation and Comm\	\$462	\$2	\$458	\$458	\$0	\$458	\$458	\$0	\$415	\$415	\$0
Roads, Bridges and Const\	\$324	\$4	\$315	\$315	\$0	\$315	\$315	\$0	\$253	\$253	\$0
Health Care	\$810	\$9	\$787	\$787	\$0	\$778	\$778	\$0	\$735	\$735	\$0
Private Sector Development	\$838	\$1	\$820	\$820	\$0	\$820	\$820	\$0	\$814	\$814	\$0
Edu\, Refugees, Human Rights	\$460	\$0	\$431	\$431	\$0	\$431	\$431	\$0	\$407	\$407	\$0
Admin Expense (USAID,DoS)	\$220	\$0	\$218	\$218	\$0	\$218	\$218	\$0	\$208	\$208	\$0
Total IRRF II	\$18,352	\$97	\$17,886	\$17,888	\$1	\$17,824	\$17,821	-\$3	\$17,121	\$17,122	\$0
IRRF II Non-Construction	-	-	\$7,963	\$7,966	\$4	\$7,948	\$7,948	\$0	\$7,733	\$7,733	\$0
IRRF II Construction	-	-	\$9,404	\$9,402	-\$2	\$9,356	\$9,354	-\$3	\$8,871	\$8,871	\$0
IRRF II Overhead	-	-	\$520	\$520	\$0	\$520	\$520	\$0	\$517	\$517	\$0
Total IRRF I	\$2,475	\$0	\$2,291	\$2,291	\$0	\$2,232	\$2,232	\$0	\$2,139	\$2,139	\$0
Grand Total IRRF I & II	\$20,827	\$97	\$20,177	\$20,179	\$1	\$20,057	\$20,054	-\$3	\$19,260	\$19,261	\$0

Apportion amounts reflect those of the latest Executive Office of the President Report, published by the Office of Management and Budget. Committed, obligated and disbursed amounts reflect last numbers reported by each agency.

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*** Numbers as of June 18, 2008.



DIPLOMATIC – Political Engagement

Maliki's Jordan Trip:

- During President Maliki's June 12 visit to Amman, he agreed to renew for another three years a 2006 agreement with Jordan for discounted oil. President Maliki also discussed with King Abdullah the status of Iraqi refugees and security matters. The King pledged to help bring stability and security to Iraq and to forge closer diplomatic ties between the two countries.

President Bush in Europe:

- President Bush visited Europe last week, holding discussions in Slovenia, France, Germany, the Vatican, and the UK. In a June 16 meeting in London, he dismissed claims that PM Gordon Brown had been trying to distance himself from Iraq: "I just want to remind you that [the prime minister] has left more troops in Iraq than initially anticipated. And like me, he'll be making our decisions based upon the conditions on the ground, the recommendation of our commanders, without an artificial timetable set by politics." The BBC added that "better chemistry between Mr. Bush and the German Chancellor Angela Merkel and French President Nicolas Sarkozy has undoubtedly contributed to a waning of trans-Atlantic tensions".

Iraq Gives Jordan \$8 million for Refugees:

- In a June 15 statement, Iraqi Finance Minister Bayan Jabr announced the GOI presentation of \$8 million to UNHCR to assist Iraqi refugees in Jordan. This contribution to UNHCR completes Iraq's disbursement of its April 2007 pledge to provide \$25 million in assistance for Iraqi refugees in the region. The GOI has already given \$15 million and \$2 million to the Syrian and Lebanese governments, respectively.

DIPLOMATIC – Economic Engagement



State Enterprises Reopen in Ramadi:

- A state-owned enterprise (SOE) production line for ceramics and glass re-opened this week. It is one of many smaller businesses that have slowly been coming back after years of neglect. The Iraqi government is asking the US for more than \$2 billion to assist 42 of the best performing SOE's. Much work remains to be done - a senior US official in Iraq said: "These SOEs are resuming business in an economy that's only partially emerged from a socialist time warp, whilst being stuck in the same mindset themselves."



DIPLOMATIC – Coalition Contributors

24 Countries with forces in Iraq (including US)

Albania	Czech Republic	Kazakhstan	Poland
Armenia	Denmark	Korea	Romania
Australia	El Salvador	Latvia	Tonga
Azerbaijan	Estonia	Lithuania	Ukraine
Bosnia-Herzegovina	Georgia	Macedonia	United Kingdom
Bulgaria	Japan	Mongolia	

TOTAL ~ 9,734 Forces

30 Countries and NATO* (including the US) **Support Iraqi Stability Operations**

*30 includes the US, the 24 countries listed above, and six non-MNF-I countries: Hungary, Italy, Netherlands, Portugal, Slovenia, Turkey

Note: Fiji and New Zealand, participating as a part of the UN Assistance Mission in Iraq (UNAMI), are not included.

CONTACT INFORMATION



- This brief draws from multiple sources. References are cited on the following pages.
- Please forward all questions and/or comments to:
NEA-I-IPOG-DL@state.gov



NOTES AND SOURCE CITATIONS (1 of 2)

Slide 4:

- (Source: several media reports)
- (Embassy Baghdad CoR Report; Reuters, June 17
<http://www.reuters.com/article/middleeastCrisis/idUSL17155857>)
- (June 13 IIC)

Slide 5:

- NEA Political Section, NEA-I-POL-DL@state.gov

Slide 6:

- UNAMI website: <http://www.uniraq.org/newsroom/getarticle.asp?ArticleID=702>

Slide 7:

- (Reuters, June 17 - <http://www.reuters.com/article/newsOne/idUSL1549095220080617?sp=true>)
- (NY Times, 16 June:
http://www.nytimes.com/reuters/world/internationaliraq.html?_r=1&scp=2&sq=Iraq&st=nyt&oref=slogin)

Slide 8:

- (MNF-I, June 17: http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=20495&Itemid=128)
- (MNF-I, June 12: http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=20334&Itemid=110)

Slide 9:

- MNF-I, June 17: http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=20499&Itemid=109)



NOTES AND SOURCE CITATIONS (2 of 2)

Slide 16:

- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

Slide 17:

- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

Slide 18:

- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov
- The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load.

Slide 19:

- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

Slide 20:

- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

Slide 21:

- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

Slide 22:

- Financial Times, June 17 - <http://www.ft.com/cms/s/0/8a17d71a-3c06-11dd-9cb2-0000779fd2ac.html>

Slide 23:

- DOD Input to Weekly Status Report, updated June 18